

RESOLUTION NO. 20-07

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK BOARD OF DIRECTORS DELEGATING TEMPORARY AUTHORITY TO THE EXECUTIVE DIRECTOR TO REVISE THE SMALL BUSINESS FINANCE CENTER'S DIRECTIVES AND REQUIREMENTS

WHEREAS, the California Infrastructure and Economic Development Bank ("IBank") is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the "IBank Act") for the purpose of providing financial assistance to eligible entities in the State of California (the "State") through a variety of financing mechanisms, which include, among other things, loan guarantees and direct loans for small businesses in the State;

WHEREAS, Effective October 4, 2013, Government Code Sections 63088 through 63089.98 (the "Small Business Statutes") were added to the IBank Act, which: (i) established the California Small Business Finance Center (the "Center") within IBank, (ii) transferred administration of various small business programs to the Center; and (iii) added provisions of the Small Business Act to the IBank Act;

WHEREAS, the IBank Act provides that the IBank Board of Directors (the "Board") shall adopt Directives and Requirements to implement the Small Business Statutes and to govern the activities within the Center;

WHEREAS, the IBank Act provides that the Board may adopt a resolution assigning to IBank's Executive Director any duties necessary or convenient to carry out the powers granted the Board under the IBank Act;

WHEREAS, on October 24, 2017, the Board adopted Resolution No. 17-17, approving amended and restated Directives and Requirements (the "Prior Directives");

WHEREAS, the Governor of California issued a Proclamation of a State of Emergency on March 4, 2020, as subsequently updated and supplemented by Executive Orders, including Executive Order N-33-20, which requires individuals to remain at their residences except in connection with the performance of essential activities;

WHEREAS, such limitations, while necessary to contain, halt, slow, and/or mitigate the spread of the novel coronavirus and protect Californians' health and safety, have had, and in the future will have, a significant adverse

economic impact on California's small businesses;

WHEREAS, small businesses are a vital part of California's economy, providing needed employment and necessary goods and services for the people of California;

WHEREAS, small business failures due to the negative economic effects of the novel coronavirus would not only harm California's economy, but would also impair severely the health and safety of Californians who rely on small business for necessary goods and services;

WHEREAS, on March 17, 2020, Senate Bill 89 ("SB 89") was enacted into law and amended the Budget Act of 2019 to, among other things, appropriate up to \$1 Billion from the General Fund for any purpose related to the Governor's March 4, 2020 State of Emergency proclamation;

WHEREAS, \$50 Million of these funds have previously been directed to the Small Business Loan Guarantee Program within the Center for the purpose of guaranteeing loans to small businesses that do not qualify for federal disaster funding;

WHEREAS, IBank staff is informed and believes that additional SB 89 funds, as well as federal government funds, may be directed toward the Center for the purpose capitalizing the Center's various programs to provide financial assistance to California small businesses affected negatively by the novel coronavirus, including those Programs for making direct loans to small businesses;

WHEREAS, to rapidly and effectively deploy any such funds, it may be necessary to revise the Prior Directives;

WHEREAS, to effectively serve California's small businesses and to provide them with financial assistance that will mitigate the adverse economic effects caused by the novel coronavirus pandemic, it may be necessary or desirable to revise immediately the Prior Directives without incurring the time-lag associated with a regularly-noticed Board meeting; and

WHEREAS, therefore, and subject to the below conditions, the Board intends to delegate to the Executive Director the authority to revise the Prior Directives.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Board hereby finds that the above recitals are true and

correct.

Section 2. The Board hereby delegates to the Executive Director the authority to revise the Prior Directives for the purpose of facilitating the Center's receipt of funds from the State or federal government to capitalize the Center's Programs and provide financial assistance to California small businesses affected negatively by the novel coronavirus.

Section 3. Any revisions to the Prior Directives made by the Executive Director pursuant to the delegation of authority granted hereby shall remain in effect until supplemented, modified, or rescinded by the Board in accordance with applicable laws.

Section 4. This resolution shall take effect immediately upon its adoption and shall remain in full force and effect until the earlier of: (i) a quorum of the Board votes to rescind this Resolution, or (ii) thirty-six days have passed since the Governor of California has rescinded the March 4, 2020 State of Emergency proclamation.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on April 22, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Nancee Robles, Chief Deputy Executive Director

Attest:
By _____
Stefan R. Spich, Secretary of Board of Directors